

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

STEVEN LASOFF,

Plaintiff,

v.

AMAZON.COM INC,

Defendant.

CASE NO. C16-151 BJR

ORDER GRANTING MOTION FOR
SUMMARY JUDGMENT

I. INTRODUCTION

This matter is before the Court on Defendant's motion for summary judgment. (Dkt. No. 49.) The motion seeks dismissal of all claims filed by Plaintiff: trademark infringement (15 U.S.C. § 1125(a) and N.J.S.A. § 56:3-13.16), false advertising (15 U.S.C. § 1125(a)), unfair competition (15 U.S.C. § 1125(a), N.J. Stat. § 56:4-1, and common law), tortious interference with prospective economic advantage, gross negligence (New Jersey common law), monopolization (Sherman Act § 2), unjust enrichment and promissory estoppel. (See Dkt. No. 1, Complaint, Counts I – IX, pp. 8-15.) Plaintiff opposes the motion.

1 Upon review of all briefing, the applicable case law and relevant parts of the record, the
 2 Court GRANTS summary judgment to Defendant; Plaintiff's claims are ordered DISMISSED
 3 with prejudice in their entirety. The Court's reasoning follows:

4 II. LEGAL STANDARD

5 Summary judgment is appropriate if the evidence, when viewed in the light most favorable
 6 to the non-moving party, demonstrates "that there is no genuine dispute as to any material fact and
 7 the movant is entitled to judgment as a matter of law." Fed.R.Civ.P. 56(a); *see Celotex Corp. v.*
 8 *Catrett*, 477 U.S. 317, 322 (1986); *Galen v. Cnty of L.A.*, 477 F.3d 652, 658 (9th Cir. 2007). The
 9 court is "required to view the facts and draw reasonable inferences in the light most favorable to
 10 the [non-moving] party." *Scott v. Harris*, 550 U.S. 372, 378 (2007).

11 The moving party bears the initial burden of showing there is no genuine issue of material
 12 fact and that he or she is entitled to prevail as a matter of law. *Celotex*, 477 U.S. at 323. If the
 13 moving party meets its burden, the burden shifts to the non-moving party to "make a showing
 14 sufficient to establish a genuine dispute of material fact regarding the existence of the essential
 15 elements of his case that he must prove at trial." *Galen*, 477 F.3d at 658.

16 III. BACKGROUND

17 Plaintiff Steven Lasoff ("Lasoff") is the sole owner of a business known as Ingrass, an
 18 enterprise which has marketed artificial turf and related products since 2004. (Dkt. No. 55-1, Decl.
 19 of Lasoff, ¶ 2.) In 2008, Lasoff entered into a Business Solutions Agreement ("BSA")¹ with
 20 Defendant Amazon.com, Inc. ("Amazon").

21
 22 ¹ Defendant provided a copy of the BSA as an attachment to its motion. (Dkt. No. 50, Decl. of Schelle, Ex. A.)
 23 While Plaintiff indicates that he is not certain that this is the version of the BSA he signed in 2008 (Decl. of Lasoff,
 24 ¶ 11), at no time does he either deny that the provisions cited by Defendant in its briefing were part of his agreement
 or provide the Court with a copy of the BSA that he signed. The Court accepts as undisputed fact for purpose of this
 motion that those cited provisions were part of Plaintiff's agreement with Defendant.

1 Amazon operates the website www.amazon.com, an internet retail marketplace through
2 which Amazon and third-party vendors sell their products. Initially, Lasoff experienced a “steady
3 and substantial rise” in sales of his products, but in 2013 those sales began to “plummet,” both on
4 his own website (Ingrass.com) and Amazon’s website. (*Id.* at ¶¶ 12-13.)

5 Plaintiff’s research revealed that third-party sellers were offering cheaper, counterfeit
6 “Ingrass” products for sale on Amazon.com. (*Id.* at ¶ 14.) There is no dispute that Amazon’s
7 policies forbid third-party vendors from selling products which violate the intellectual property
8 rights of others. (Dkt. No. 50, Decl. of Schelle, Exs. E, F.) The problem, from Plaintiff’s
9 perspective, was that when potential online consumers would click on links advertising “Ingrass”
10 products in Defendant’s promotional emails or in “sponsored link” advertisements on third-party
11 search engines (e.g., Google, Bing or Yahoo), they were directed, not to Plaintiff’s Ingrass
12 products on Defendant’s website, but “to competing listings which falsely advertised products as
13 ‘Ingrass’ products at a substantially discounted price.” (Decl. of Lasoff, ¶ 16.)

14 There is no dispute regarding how Amazon creates its promotional emails and its
15 “sponsored link” advertising on third-party search engines. The email marketing at issue is an
16 automated process whereby an algorithm selects an advertisement to email to a customer based on
17 information retained from that customer’s browsing sessions on Defendant’s website (e.g.,
18 products which the customer viewed online but did not purchase). (Dkt. No. 51, Decl. of Brauner,
19 ¶ 4.) The content of the advertisement within the email is supplied by the vendor of the product,
20 who has represented to Defendant that it has the right to license Amazon to display that content.
21 (Decl. of Schelle, ¶ 9.)

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1 Similarly, the facts concerning Amazon’s advertisement on third-party search engines are
 2 not disputed. Defendant has an automated system which generates “keywords” (words or phrases
 3 related to products or product names) based on consumer searches on its websites.

4 An algorithm determines the terms that are bid as keywords for search engine advertising.
 5 Once a keyword is bid, when users search for that term on Google or another search engine,
 6 the results will display an ad for Amazon or for a product listed on amazon.com that is
 7 related to the keyword.
 8 (Decl. of Brauner, ¶ 6.) These “sponsored link” advertisements appear above the results of an
 9 internet user’s search once the keyword is entered into the search engine.

10 Plaintiff asserts that his complaint is not directed at the sale of competing and/or counterfeit
 11 products on Defendant’s website. (Decl. of Lasoff, ¶ 18.) Lasoff’s complaint, rather, “is that
 12 Defendant has misappropriated the Ingrass trade and domain name without permission, by bidding
 13 on, and paying for, the keywords ‘Ingrass’ and/or ‘Ingrass.com’ on third-party search engines.”
 14 (Dkt. No. 55, Response at 5.) He further alleges that Amazon’s use of “Ingrass” and “Ingrass.com”
 15 as keywords was unauthorized and a violation of his trademark and other legal rights. (Complaint,
 16 Counts I – IX, pp. 8-15.)

17 **IV. DISCUSSION**

18 There are no disputed material facts, simply a dispute about the legal impact of the facts;
 19 as discussed more fully below, Defendant is entitled to summary judgment as a matter of law on
 20 all of Plaintiff’s claims. The Court will first examine a procedural issue raised by Plaintiff, then
 21 proceed to a summary judgment analysis of his claims.

22 **A. Fed.R.Civ.P. 56(f)**

23 Plaintiff opens his responsive briefing with a section devoted to what appears at first blush
 24 to be a motion to continue or deny the summary judgment motion on Fed.R.Civ.P. 56(f) grounds;

specifically, that certain alleged deficiencies in Defendant's discovery responses have left him without the facts required to fully respond to the dispositive motion. (Dkt. No. 55, Response at 8-9.) Curiously, however, he then rescinds that motion in a footnote:

If the information requested in discovery was critical to defending against the fundamental claims in this motion, Lasoff would have moved for a continuance under FRCP 56(f). Because Lasoff can adequately defend against summary judgment without resort to the requested information though, it is not necessary to make such a motion.

(*Id.* at 9 n.4.) The Court will take Plaintiff at his word and analyze the parties' arguments based on the evidence provided.

B. The Communications Decency Act and Plaintiff's state law claims

The Communications Decency Act (47 U.S.C. § 230; "CDA") states that "[n]o provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider." 47 U.S.C. § 230(c)(1). The statute does contain some exceptions to this immunity, among them that "nothing in this section shall be construed to limit or expand any law pertaining to intellectual property." 47 U.S.C. § 230(e)(2). However, the Ninth Circuit has held this "intellectual property" exclusion applies only to federal intellectual property law. *Perfect 10, Inc. v. CCBill LLC*, 488 F.3d 1102, 1119 (9th Cir. 2007).² Hence, if the CDA applies to these facts, Plaintiff's state law claims cannot survive.

The Court finds that the CDA does apply. Plaintiff does not contest that Amazon is "an interactive computer service;" rather, he argues that the information which forms the basis of his claims (i.e., the emails and online advertising generated through Amazon's "keyword" algorithm)

² The Court declines Plaintiff's invitation to ignore and/or overrule this holding. Outlier or not, *Perfect 10* is the Ninth Circuit precedent on the controlling legal issue in this regard and this Court is bound to follow it. *Hart v. Massanari*, 266 F.3d 1156, 1170 (9th Cir. 2001).

1 has not been “provided by another information content provider” as the statute requires. His
2 position is that, in creating the algorithm that generates the keywords and then purchasing the right
3 to use them on third-party search engines, Amazon is a “direct actor” rather than a passive conduit
4 of information content generated by some other provider.

5 The Ninth Circuit has spoken on this issue. In *Carafano v. Metrosplash.com, Inc.*, 339
6 F.3d 1119 (9th Cir. 2003), an online dating service was held, under the CDA, to be immune from
7 liability for false representations posted on the website regarding the plaintiff. The *Carafano* court
8 cited with approval the decision in *Gentry v. eBay, Inc.*, 99 Cal.App. 4th 816 (Cal.Ct.App. 2002),
9 wherein it was held

10 [E]nforcing [Plaintiffs’] negligence claim would place liability on [Defendant] for simply
11 compiling false and/or misleading content created by the individual defendants and other
12 coconspirators. We do not see such activities transforming [Defendant] into an information
13 content provider with respect to the representations targeted by [Plaintiffs] as it did not
14 create or develop the underlying information.

15 *Id.* at 834.

16 The Court understands the basis of Plaintiff’s complaint (and the grounds on which he
17 attempts to differentiate his circumstances from those of plaintiffs who have sued interactive
18 computer services for false information posted on their websites) to be that Amazon’s involvement
19 in selecting keywords from the content on its site, bidding on those keywords and using them in
20 emails and search engine advertising takes it out of the role of passive information conduit and
21 into the realm of direct content provider. The case law does not support Plaintiff’s position.

22 As Plaintiff acknowledges, the crux of the CDA litmus test is “whether the cause of action
23 inherently requires the court to treat the defendant as the publisher or speaker of content provided
24 by another. If it does, section 230(c)(1) precludes liability.” (Response at 13, *citing Barnes v. Yahoo!Inc.*, 570 F.3d 1096, 1102 (9th Cir. 2009).) That is exactly what Plaintiff is asking this

1 Court to do, and what the CDA prohibits. The content to which Plaintiff objects (the “Ingrass”
 2 keyword and the misrepresentations by copycat competitors that their products are “Ingrass”
 3 products) is provided by third parties and the claims which Plaintiff prosecutes attempt to cast
 4 Amazon as the “publisher or speaker” of that content. As *Carafano* makes clear,

5 [E]ven assuming [Defendant] could be considered an information content provider, the
 6 statute precludes treatment as a publisher or speaker for “*any* information provided by
 7 *another* information content provider.” 47 U.S.C. 230(c)(1)(emphasis added). The statute
 would still bar [Plaintiff’s] claims unless [Defendant] developed the particular information
 at issue.

8 339 F.3d at 1119. The fact that Defendant created the automated system which identifies the
 9 desirable keywords and then propagated advertisements based on those keywords is not what
 10 Lasoff seeks to hold it liable for; it is that the information generated by that system is improperly
 11 damaging to his legitimate and protected business interest in the brand “Ingrass.” The fact is that
 12 Amazon neither created nor developed *that* information content, and the CDA prohibits Plaintiff
 13 from seeking to hold Amazon liable for certain violations as though it had.

14 As indicated in § 230(e)(2) of the CDA and *Perfect 10*, this does not immunize Amazon
 15 from liability under federal intellectual property law. However, Counts III (New Jersey unfair
 16 competition, N.J. Stat. 56:4-1), IV (New Jersey common law unfair competition), V (New Jersey
 17 trademark infringement, N.J.S.A. 56:3-13.16), VI (tortious interference with prospective economic
 18 advantage), VII (New Jersey common law gross negligence), IX (unjust enrichment)³, and X
 19 (promissory estoppel) are state law causes of action. Further, all are predicated on a legal theory
 20 which would hold Amazon liable as the “publisher or speaker” of information which resulted in
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 23
 24 ³ Plaintiff’s complaint erroneously lists two “Count VIII’s”; for purposes of this order, the Court has redesignated
 the second of the two (unjust enrichment) as Count IX, and the following count (promissory estoppel) as Count X.

injury to Plaintiff. As such, they are prohibited by the CDA and Defendant is entitled to summary judgment of dismissal regarding those claims.

C. Substantive analysis of state law claims

Defendant devotes a portion of its summary judgment briefing to substantive arguments regarding the invalidity of Plaintiff's state law and/or common law claims. Plaintiff's responsive briefing contained no counter-arguments to this substantive analysis. However, because the ruling on the applicability of the CDA invalidates all of Plaintiff's non-federal causes of action, the Court finds it unnecessary to reach the substantive merits of those claims.

D. Federal trademark infringement/unfair competition

Lasoff asserts federal claims for trademark infringement and unfair competition under the Lanham Act (15 U.S.C. § 1125(a)(1)(A)). To successfully prosecute a Lanham Act claim, "a plaintiff must prove two basic elements: '(1) it has a valid, protectable trademark, and (2) [the defendant's] use of the mark is likely to cause confusion.'" *S. Cal. Darts Assoc. v. Zaffina*, 762 F.3d 921, 929 (9th Cir. 2014)(quoting *Applied Info. Sciences Corp v. eBay, Inc.*, 511 F.3d 966, 969 (9th Cir. 2007)).

1. Valid, protectable trademark

As Plaintiff agrees, "Ingrass" is not a registered mark under either federal or state law. The result of this fact for purposes of this proceeding is that there is no presumption of validity for the "Ingrass" mark; Lasoff bears the burden of establishing that it is a valid, protectable trademark. *Toho Co. v. Sears, Roebuck & Co.*, 645 F.2d 788, 790 (9th Cir. 1981).

1 Proof of trademark validity requires a plaintiff to establish both ownership and
 2 protectability. *S. Cal. Darts Assoc.*, 762 F.3d at 929. Amazon concedes for purposes of this motion
 3 that Lasoff owns the Ingrass mark. (Motion at 9.) Defendant challenges Plaintiff's evidence of
 4 protectability, however.

5 "Whether a mark is protectable depends on its degree of 'distinctiveness.'" 762 F.3d at
 6 929. "Distinctiveness" is divided into five categories. In ascending order of strength and
 7 protectability, they are: generic, descriptive, suggestive, arbitrary, and fanciful. *Two Pesos, Inc.*
 8 *v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992). Neither party argues that the Ingrass mark falls
 9 under the generic, arbitrary or fanciful rubric.

10 Amazon contends that "Ingrass" is a mark of a descriptive nature. "A descriptive mark is
 11 a mark that 'describes the qualities or characteristics of a good or service.'" *Meth Lab Cleanup,*
 12 *LLC v. Bio Clean, Inc.*, No. C14-1259RAJ, 2016 WL 4539564, at *7 (W.D. Wash. Aug. 31,
 13 2016)(quoting *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 194 (1985). Other than
 14 quoting from Lasoff's deposition⁴, Amazon provides no further argument or authority to support
 15 its conclusion that Ingrass is a "descriptive" trademark.

16 Plaintiff's position is that his Ingrass mark is a "suggestive" mark.

17 [A] mark is more likely suggestive if it passes the imagination test, which asks whether the
 18 mark "requires a mental leap from the mark to the product." *Brookfield Comms.*, 174
 19 F.3d at 1058; *see also* 2 J. MCCARTHY, TRADEMARKS AND UNFAIR
 20 COMPETITION § 11:71 (4th ed. 2004) ("MCCARTHY") ("Is some reflection or
 21 multistage reasoning process necessary to cull some direct information about the product
 22 from the term used as a mark?"). "[T]he imagination test is [the] primary criterion for
 23 evaluating" whether a mark is suggestive. *Zobmondo*, 602 F.3d at 1116 (quotation marks
 24 omitted).

⁴ Specifically, Plaintiff's testimony that "Ingrass" is short for "It's Not Grass." (Dkt. No. 50, Decl. of Power, Ex. A, Depo. of Lasoff, 10:20-25.)

1 *Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgt., Inc.*, 618 F.3d 1025, 1033 (9th Cir.
 2 2010). Suggestive marks “connote, without describing, some quality, ingredient, or characteristic
 3 of the product.” *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 464 (4th Cir. 1996). Examples
 4 of such marks are “Coppertone” (for suntan lotion) or “Orange Crush” (for a carbonated beverage).
 5 *Id.*

6 With that distinction in mind, the Court finds that the “Ingrass” mark is suggestive rather
 7 than descriptive. The name “Ingrass” does not describe the “qualities or characteristics” of
 8 Plaintiff’s product; rather, it requires a leap of imagination and understanding to go from the
 9 product name to the actual product. While the Court cannot imagine an average consumer instantly
 10 understanding what Plaintiff’s product is based on the name, it is not difficult to imagine that same
 11 consumer saying something like “Oh, I get it” upon seeing the product to which the mark is
 12 attached. On that basis, the mark is best categorized as suggestive and thus both strong and worthy
 13 of protection.

14 **2. Use of the mark**

15 Defendant challenges the allegation it has “used” Plaintiff’s trademark, and, even if the
 16 Court were to find to the contrary, whether such “use” subjects it to liability for direct infringement.

17 The cases cited by Defendant in support of its argument that it has not “used” Lasoff’s
 18 mark are more notable for what they do not say than for what they do. *Fonovisa, Inc. v. Cherry*
 19 *Auction, Inc.* (76 F.3d 259 (9th Cir. 1996)) and *Hard Rock Cafe Licensing Corp. v. Concession*
 20 *Servs.* (955 F.2d 1143 (9th Cir. 1992)) both concern “swap meet/flea market” operations where
 21 third party vendors were permitted to sell counterfeit “knock off” goods. Although there is no
 22 finding in either opinion that the defendants “used” the plaintiffs’ trademark in the sense intended
 23 by the Lanham Act, the fact remains that neither is a direct trademark infringement case. (In
 24

1 *Fonovisa*, the plaintiff-appellant did not challenge the lower court’s dismissal of its direct
2 infringement claim; in *Hard Rock Cafe*, a direct infringement claim was never alleged.) Amazon
3 clearly wishes the Court to find its position analogous to those of the swap meet operators; the
4 analogy is not a strong one (there is no evidence that the swap meet operators generated
5 promotional messages advertising the counterfeit goods, for one thing). While it is instructive that
6 no liability for direct trademark infringement was assessed against either of the defendants in
7 Amazon’s cases, their failure to analyze (in the context of the Lanham Act) whether those
8 defendants had “used” the plaintiffs’ trademarks renders them of limited utility.

9 Plaintiff responds with precedential authority which comes closer to the mark but is still
10 distinguishable from this fact pattern. *Network Automation, Inc. v. Advanced Sys. Concepts*, 638
11 F.3d 1137 (9th Cir. 2010), concerns a case where one software engineering company (Network)
12 purchased the trademarked name of its competitor (Advanced) as a keyword on a third-party search
13 engine and used that mark in online advertising for its competing product. The Ninth Circuit noted
14 that “the district court correctly found the prerequisite ‘use in commerce’ in Network’s use of the
15 mark to purchase keywords to advertise its products for sale on the Internet.” *Id.* at 1144.

16 Defendant’s attempt to distinguish their conduct by differentiating between the
17 “deliberate” selection of Advanced’s trademark by Network and the Amazon algorithm which
18 automatically selects keywords to purchase seems a hollow distinction: Amazon fails to explain
19 how the company’s creation of a system which makes the selection for it insulates it from the
20 liability that can befall an enterprise which manually goes through the same process. Defendant
21 fails to persuade that, in analyzing whether a party is “using” a mark for Lanham Act purposes,
22 creating the process by which a selection is made is ultimately any different than actually making
23 the selection.

1 *Network Automation* cited with approval a second case on which Plaintiff relies.
2 *Rescuecom Corp. v. Google, Inc.*, 562 F.3d 123 (2nd Cir. 2009), involves a lawsuit against a
3 search-engine entity for its practice of algorithmically finding and then recommending the use of
4 the plaintiff's trademark to the plaintiff's competitors through Google's "AdWorks" program.
5 Google argued that "the inclusion of a trademark in an internal computer directory cannot
6 constitute trademark use," but the court advised that the fact that an internal software program
7 automatically generated the trademarked name as a possible keyword and stored it in an internal
8 directory would not "insulate[] the alleged infringer from a charge of infringement" if that
9 keyword were made available for purchase from the directory and later used in a commercial
10 fashion likely to deceive a consumer. *Id.* at 129-130. The generation of a trademark as a keyword
11 for sale under those circumstances was, at the very least, a "use in commerce."

12 While the Court agrees that these cases preclude a summary judgment ruling that
13 Defendant's practice is *not* a "use in commerce" under the Lanham Act, the inquiry cannot end
14 there. For one thing, there are critical factual differences between the *Network Automation* and
15 *Rescuecom* opinions and the instant case. Unlike the appellant in *Network Automation*, Amazon
16 is not a competitor of Plaintiff's; no theory has been advanced asserting the Defendant has any
17 motivation or intent to promote other businesses at the expense of Plaintiff's.⁵ Unlike the
18 defendant company in *Rescuecom*, Amazon is purchasing (not selling) the use of Plaintiff's mark
19 as a keyword.

21 ⁵ Amazon's "non-competitive" status vis-à-vis Plaintiff points out a significant problem in Plaintiff's attempt to hold
22 it liable as a trademark infringer/unfair competitor. Trademark infringement law is primarily concerned with
23 stopping one person or entity from gaining an unfair competitive advantage over a business rival by misusing a
24 protected mark. No one who offers their product for sale on amazon.com is a "competitor" of Amazon, and
attempting to shoehorn the company into a direct trademark infringement framework creates a "square peg-round
hole" situation for which traditional trademark law seems ill-suited.

1 Most significantly, however, there is case law on all fours with the factual circumstances
2 of this case which holds that, even if Amazon's algorithmic purchase of Plaintiff's mark as a
3 keyword is a "use in commerce" for Lanham Act purposes, such use does not subject Defendant
4 to liability for direct trademark infringement. Defendant cites *Tiffany (NJ) Inc. v. eBay, Inc.*, 600
5 F.3d 93 (2nd Cir. 2010) in support of its position that its conduct is not a violation of laws against
6 direct trademark infringement. The Court is inclined to agree.

7 *Tiffany (NJ)* involves a lawsuit by the renowned jewelry company against eBay, the equally
8 famous internet auction and retail sale website. Seeking to "promote sales of premium and branded
9 jewelry, including Tiffany merchandise, on its site," the defendant "purchased sponsored-link
10 advertisements on various search engines to promote the availability of Tiffany items on its
11 website." *Id.* at 101. Alleging that eBay's use of its trademarked name was permitting and
12 promoting the sale of counterfeit goods, Tiffany sued, arguing that "eBay had directly infringed
13 its mark by using it on eBay's website and by purchasing sponsored links containing the mark on
14 Google and Yahoo!." *Id.* at 102.

15 The Second Circuit Court of Appeals upheld the dismissal of Tiffany's claims, finding that
16 "eBay's use of Tiffany's mark on its website and in sponsored links was lawful...[and] is not a
17 basis for a claim of direct trademark infringement." *Id.* at 102-103. The *Tiffany* court held that "a
18 defendant may lawfully use a plaintiff's trademark where doing so is necessary to describe the
19 plaintiff's product and does not imply a false affiliation or endorsement by the plaintiff of the
20 defendant." *Id.* The Second Circuit refused to require that eBay be the guarantor of the
21 "genuineness of all of the purported Tiffany products offered on its website," finding that to do so
22 would "unduly inhibit" its right to lawfully offer genuine Tiffany goods. *Id.* at 103.

1 The Court finds Amazon’s position directly analogous to that of eBay, and further finds
 2 that the holding of *Tiffany (NJ)* – that there are “uses in commerce” which do not subject the user
 3 to liability for direct trademark infringement – applicable to this case. Plaintiff has not argued,
 4 and the Court finds no evidence in the record, that Defendant at any time “impl[ied] a false
 5 affiliation or endorsement by [Lasoff] of [Amazon.]” (*See also Tre Milano, LLC v. Amazon.com, Inc.*,
 6 2012 WL 3594380 (Cal. Ct. App. Aug. 22, 2012), for a ruling exempting Amazon from direct
 7 trademark infringement liability on *Tiffany (NJ)* grounds.)

8 The Court finds it significant that Plaintiff makes no direct counter-argument to this
 9 authority, but instead devotes a significant portion of his responsive briefing to an argument that
 10 Defendant should instead be subject to liability for *contributory* trademark infringement, a cause
 11 of action which Plaintiff did not plead. (Response at 20-23.) The Court will not permit Plaintiff,
 12 absent a formal motion and lacking any evidence of good cause, to amend his complaint to add an
 13 additional claim against Defendant at this stage of the proceedings. The Court will find that the
 14 law upholds Defendant’s immunity from Lanham Act direct trademark infringement and/or unfair
 15 competition liability under these circumstances, and grant summary judgment of dismissal with
 16 prejudice of those claims.

17 18 **E. False advertising**

19 The Lanham Act assigns liability to any party who, “in commercial advertising or
 20 promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or
 21 another person’s goods, services or commercial activities.” 15 U.S.C. § 1125(a)(1)(B). The
 22 elements of a false advertising claim require a plaintiff to prove:

- 23 (1) the defendant made a false statement of fact about a product in a commercial
 24 advertisement, (2) the statement actually deceives or has the tendency to deceive a

substantial segment of its audience, (3) the deception is material, (4) the defendant caused the false statement to enter interstate commerce, and (5) the plaintiff has been or is likely to be injured as a result of the false statement.

Appliance Recycling Centers of Amer., Inc. v. JACO Environmental, Inc., 378 F.App'x 652, 654 (9th Cir. 2010)(citing *Southland Sod Farms v. Stover Seed Co.*, 108 F.3d 1134, 1139 (9th Cir. 1997)).

Plaintiff's claim in this regard is undercut by problems similar to those which invalidated his state law claims under the CDA; namely, that the misrepresentations of which he complains originate with third-party vendors, not with Defendant. Defendant asserts that Amazon's advertising and other promotional materials truthfully depict what is offered for sale on its website; the liability for the false representations of Plaintiff's trademark lies with the third-party sellers, not with Amazon.

Legal support for Defendant's position can be found in *Baldino's Lock & Key Service, Inc. v. Google, Inc.*, 624 F.App'x 81 (4th Cir. 2015). Plaintiff, a state-licensed locksmith, sued Defendant Google and other websites, alleging that their publishing of the names, addresses and phone numbers of unlicensed locksmiths constituted a Lanham Act violation. The Fourth Circuit affirmed the dismissal of the plaintiff's false advertising claim, holding that

Baldino's failed to show that the Defendants made any representations. Rather, the locksmiths who generated the information that appeared on Defendant's websites are solely responsible for making any faulty or misleading representations or descriptions of fact.

Id. at 82. Plaintiff attempts to distinguish the case on the basis that the Google advertisements were published directly by the unlicensed locksmiths, but this argument strengthens Defendant's position: just as Google could not be held liable for reproducing material which it did not know was false, neither can Amazon. Plaintiff fails to draw a meaningful distinction between two interactive computer service providers who created a platform for advertising which contained

1 misrepresentative material generated by third parties. In both instances, liability lies with the
2 vendors who created the misleading content, not the service providers who transmit that content.

3 Defendant's motion for summary judgment dismissal of Plaintiff's false advertising claim
4 will be granted.

5
6 **F. Sherman Act monopoly claim**

7 Defendant attacks Plaintiff's cause of action for "monopolization" under the Sherman Act
8 on the grounds that Lasoff cannot identify a "relevant market" as required by case law. *See Forsyth*
9 *v. Humana, Inc.*, 114 F.3d 1467, 1476 (9th Cir. 1997). A relevant product market usually
10 comprises "the pool of goods or services that enjoy reasonable interchangeability of use and cross-
11 elasticity of demand," and "[f]ailure to identify a relevant market is a proper ground for dismissing
12 a Sherman Act claim." *Tanaka v. Univ. of S. Cal.*, 252 F.3d 1059, 1063 (9th Cir. 2001).

13 The Court agrees with Amazon that what Plaintiff's complaint (essentially, that Amazon
14 has "monopolized advertising of artificial turf in online search engines;" Complaint at ¶ 95)
15 describes is a "monopsony," or buyer's side monopoly where the market is the pool of competing
16 buyers. From that perspective, "[t]he proper focus is... the commonality and interchangeability
17 of the buyers, not the commonality and interchangeability of the sellers." *Todd v. Exxon Corp.*,
18 275 F.3d 191, 202 (2nd Cir. 2001)(quoting Roger D. Blair & Jeffrey L. Harrison, *Antitrust Policy*
19 *and Monopsony*, 76 Cornell L. Rev. 297, 324 (1991)).

20 Plaintiff's "monopsony" legal theory has two problems. The first is the interchangeability
21 of search engine advertising with other forms of internet advertising. Because there is no basis for
22 distinguishing the "search engine advertising" market from the larger market of all internet
23
24

1 advertising, the former is simply too narrow to form a meaningful “relevant market” for purposes
 2 of antitrust liability. *See Person v. Google, Inc.*, 2007 WL 832941 at *4 (N.D. Cal. Mar. 16, 2007).

3 By contrast, the pool of competing purchasers is simply too large; i.e., there are multiple
 4 alternative buyers of online search engine advertising.⁶ Plaintiff’s complaint makes no attempt,
 5 beyond general “monopolization” allegations, to address the interchangeability of purchasers of
 6 online search engine advertising for artificial turf products. Where the “service offeror” has “too
 7 many alternative buyers for [its] services,” monopsony is not possible. *U.S. Healthcare, Inc. v.*
 8 *Healthsource, Inc.*, 980 F.2d 589, 598 (1st Cir. 1993).

9 In addition to finding Defendant’s Sherman Act arguments persuasive, the Court notes that
 10 Plaintiff’s responsive briefing contains no counter-arguments. Defendant’s motion for summary
 11 judgment dismissal of Plaintiff’s Sherman Act claim will be granted.

12 13 14 **G. Exemplary damages and attorney’s fees**

15 Besides compensatory damages for lost profits, Lasoff asks that his damages be trebled
 16 “pursuant to 15 U.S.C § 1117 because of the willful and unlawful acts as alleged herein”
 17 (Complaint, Prayer for Relief, ¶ 2.), and seeks reimbursement of his attorney’s fees and costs. (*Id.*
 18 at ¶ 4.)

19 In light of the dismissal of all of his claims, it is axiomatic that Plaintiff’s request for
 20 punitive damages, attorney’s fees and costs will likewise be rejected.

21
22
23 ⁶ Ex. D to Plaintiff’s own complaint lists the top 10 advertisers on Google, each of which spend in excess of \$50
 24 million annually in Google advertising. *See* Complaint, Ex. D. Amazon tops the list, but it clearly does not control
 the market of available buyers of online search engine advertising.

